

# Contracting

with

**HUD**

U.S. Department of Housing & Urban Development  
Office of Procurement and contracts  
Administrative Service Centers  
February 1997

# **General Information About HUD's Contracting**

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## **What does HUD do?**

The Department of Housing and Urban Development (“HUD”) is the principal Federal agency responsible for the improvement and development of America's housing and communities. Among other things HUD's programs include:

- providing mortgage insurance to help individuals and families become homeowners;
- development, rehabilitation and modernization of the nation's public and Indian housing stock;
- development of HUD-insured multifamily housing;
- development, improvement and revitalization of America's urban centers and neighborhoods.
- providing rental subsidies to lower-income families to help them obtain affordable housing; and,
- enforcement of Federal Fair Housing laws.

HUD is assisted in carrying out its various programs - and in managing its own operations - by a variety of independent contractors and vendors.

## **Who in HUD is responsible for awarding contracts?**

HUD's contracting is conducted by four principal offices: the Office of Procurement and Contracts (“OPC”) in Headquarters and the three Administrative Service Center (“ASC”) Contracting Divisions located in New York City, Atlanta and Denver. (Besides their principal offices, the ASC Contracting Divisions have branches and staff located in other cities within their jurisdictions.) ASC Contracting Divisions may also occasionally award contracts for Headquarters and each other. While all four of these contracting organizations are ultimately responsible to HUD's Assistant Secretary for Administration (who is also HUD's “Senior Procurement Executive”) and follow the same regulations and policies, each operates fairly independently of the others. Exhibit 1 provides a map that depicts the geographic areas served by each ASC.

## What types of things does HUD actually buy?

HUD's contracting needs tend to vary significantly from headquarters to field offices.

- **Headquarters**

The largest portion of HUD's direct procurements (approximately \$381 million in FY 1996) is made by OPC. OPC purchases all supplies, equipment and services to fulfill Headquarters logistical, administrative and programmatic requirements. OPC contracts for services (e.g., professional, technical, research, etc.) and supplies to support HUD's programs. OPC also contracts for the services that support the operations of the Department in general (e.g., information technology, headquarters building maintenance, business process re-engineering, etc.). A list of the major categories of services and supplies purchased by OPC during FY 1996 is provided in Exhibit 2.

- **Administrative Service Centers (ASC)**

The ASC Contracting Divisions contract primarily for services to support the programs of HUD's State and Area Offices of Housing/Federal Housing Administration (FHA). The most typical requirements are:

- **Property Management and Sales Services**

Under its Single and Multifamily Real Estate Owned (REO) Programs, HUD manages and sells real estate properties (e.g., homes, apartment projects, nursing homes, etc.) nationwide. Contracted services may include property management (e.g., on-site managers), general repairs and maintenance, rehabilitation, sales closings, routine inspections, appraisals, foreclosures, security guard services, demolition, and other related services (e.g., advertising, architectural/engineering design). These contracts may provide opportunities for small and small disadvantaged firms (see page 5 for a definition). They also may provide subcontracting opportunities (e.g., roofing, painting, paint removal, groundskeeping, snow removal, etc.).

- **FHA Mortgage Insurance Support Services**

The FHA single and multifamily mortgage insurance programs may require contracted services including: appraisals, field reviews of appraisals, architectural and compliance reviews, building inspections, mortgage credit analysis, mortgage insurance endorsement processing (including data entry), title service, underwriting analysis, construction cost analysis, construction inspections and review of owner financial statements and project occupancy. Such services may be needed for both single and multifamily properties.

**A Note About General Supplies and Services.** Purchases of general supplies and services to support the operations of HUD's field offices normally do not provide any significant contracting opportunities. The vast majority of these purchases are made using simplified acquisition procedures with local vendors or through orders under existing contracts (e.g., via Federal Supply Schedules established under contracts with the U.S. General Services Administration).

## **How much did HUD spend on contracts in 1996?**

During the Federal fiscal year 1996 (October 1, 1995 through September 30, 1996), HUD purchased approximately \$531 million worth of supplies and services for its own use. Of that total, \$381 million was obligated by OPC in HUD headquarters, and \$150 million was obligated by the three ASC Contracting Divisions.

## **Was all that money spent on new contracts?**

No. In fact, the majority of 1996 dollars were used to the place task and delivery orders under existing contracts and to exercise options to existing contracts. The number of new contracts awarded may vary widely from year to year. It depends mostly on the existence of contracts to meet HUD's needs. When new needs arise or old contracts expire, there are more new awards and greater opportunities to compete for HUD's business. When HUD has an ample number of current contracts available to meet its needs, relatively few new contracts may be awarded. Most new awards are made through the competitive procurement process. Competition for these contracts is often intense.

## **What contracting opportunities are forecast for FY 1997?**

HUD's 1997 Annual Forecast of New Procurements lists the new contracts planned for Fiscal Year 1997. Please note that this forecast reflects HUD's projected needs known at the time the forecast was made. Those needs may change during the year. Besides new contracts, there are often opportunities for subcontracting under existing contracts. The forecast information is now available on HUD's Internet home page. (Please see the section on page 7 for the Internet address.)

## **Are there any contracting opportunities with organizations that receive HUD financial assistance?**

Yes. HUD provides significant amounts of financial assistance to State and local governments and nonprofit organizations for a variety of purposes (e.g., modernizing public housing, renovating urban areas, etc.). In fact, the amount of money spent by HUD's funding recipients normally surpasses the amount spent by HUD on its own direct procurements. HUD's funding recipients, in turn, contract directly for supplies, services and construction to help them carry out their projects. These procurements may offer considerable opportunity for contracting in general and often provide ample opportunity for participation by small, small disadvantaged, and women-owned small businesses.

## **How does HUD find Contractors?**

In the past, HUD maintained lists of potential offerors and bidders (known as solicitation mailing lists or "bidders lists"). HUD no longer solicits names for those lists. Instead, it puts every new contract solicitation on its Internet home page. Businesses can browse the current solicitations and download any they wish. We think this is a faster, cheaper way to get our opportunities to you. It also lets you choose which you wish to compete for. HUD also lists prime contracts with potential subcontracting opportunities on its home page. (Please see page 7 of this brochure for the Internet address.)

# **HUD's Procurement Opportunity Programs (POP)**

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## **What is “POP?”**

The POP were created to provide direct HUD contracting and subcontracting opportunities to businesses and organizations designated eligible for preferential treatment under a variety of Federal laws, Executive Orders, etc. (e.g., the Small Business Act). Eligible organizations include: small, small disadvantaged, and women-owned small businesses.

The POP also serves as the vehicle for establishing and monitoring HUD's annual goals for the participation of eligible businesses in its direct procurement of supplies and services. The POP is also used to report HUD's performance to the U.S. Small Business Administration (SBA).

In response to Public Law 95-507 (the Amendments to the Small Business Act of 1958), HUD established the Office of Small and Disadvantaged Business Utilization (“OSDBU”). OSDBU is responsible for the development and administration of HUD's POP. For further information about the POP you may contact the OSDBU directly (see Exhibit 3).

An explanation of each component of the POP follows.

## **Small Business Set-Aside Program**

(see also Federal Acquisition Regulation, “FAR,” Subpart 19.5)

Section 15 of the Small Business Act, as amended, requires the Federal Government to reserve a fair proportion of its total purchases and contracts for property and services for small business concerns. The Government does this by reserving, or “setting aside,” entire procurements or parts of procurements for small businesses. This does not guarantee that any particular small business will receive a contract. It means that only small businesses may compete for the contract (“total small business set-aside”) or the reserved portion (“partial small business set-aside”).

The Small Business Act, however, also requires the Government to buy goods and services at competitive prices. Therefore, contracts are set aside only when at least two qualified small businesses are expected to submit offers (i.e., compete for HUD's business). The SBA establishes size standards defining small businesses on an industry-by-industry basis. They are defined by dollar volume of sales, number of employees, or a combination of these factors. Size standards are published in FAR Subpart 19.1.

## **Section 8(a) Program** (see also FAR Subpart 19.8)

Section 8(a) of the Small Business Act authorizes the SBA to enter into contracts with other Federal government agencies to supply needed goods and services. The SBA in turn subcontracts the actual performance of the work to small businesses enrolled in the SBA's 8(a) Program. The goal of the 8(a) Program is to help eligible small firms become independently competitive for contracts.

To be eligible for 8(a) Program participation, a small business must be at least 51 percent owned, controlled and daily operated by one or more socially and economically disadvantaged persons.

- **“Socially disadvantaged”** individuals are those who have been subject to racial or ethnic prejudice or cultural bias because of their identification as members of certain groups. Black Americans, Native Americans, Hispanic Americans, Asian-Pacific Americans and Asian-Indian Americans have been officially designated as socially disadvantaged. Members of other groups must show proof of their socially disadvantaged status.
- **“Economically disadvantaged”** individuals are socially disadvantaged individuals (as defined above) whose ability to compete in the free enterprise system has been impaired due to diminished capital and credit opportunities. Economic disadvantage must be established for all applicants. The SBA determines eligibility on a case-by-case basis.

All applications for the 8(a) Program must be made directly to the SBA. If you are interested in the program, contact your nearest SBA office or HUD Small Business Specialist.

## **Small Disadvantaged Business Program**

HUD also encourages the award of prime contracts valued at \$100,000 or more to small business concerns (other than certified 8(a) firms) that are owned and controlled by socially and economically disadvantaged individuals.

Eligible firms include any small business that is at least 51 percent owned and controlled by one or more socially and economically disadvantaged individuals as defined above. A similar stock ownership rule applies to publicly held companies.

## **Small and Small Disadvantaged Business Subcontracting Program** (see also FAR Subpart 19.7)

Section 211 of Public Law 95-507 requires that the successful offeror or bidder on contracts valued at \$500,000 or more (or \$1 million for construction of public facilities) must submit to the awarding agency an acceptable subcontracting plan setting percentage and dollar goals for the award of subcontracts to small and small disadvantaged businesses. (NOTE: Small business concerns are exempt from this requirement.) The plan must be submitted and accepted before a contract may be awarded. All subcontract plans submitted by prime contractors are reviewed by appropriate HUD staff (OSDBU, Small Business Specialists, Contracting Officers) to ensure compliance with the requirements of Section 211.

## **Women-Owned Small Business Program** (see also FAR Subpart 19.9)

Executive Order 12138 (“National Women’s Business Enterprise Policy”) directs all Federal agencies to take action to strengthen women-owned business enterprise and to ensure full participation by women in the free enterprise system. The Order does not permit HUD to set-aside procurements for women-owned businesses. HUD makes special efforts, though, to advise women business owners of contracting opportunities and to encourage their participation in HUD procurement.

The Federal Acquisition Regulation requires Federal agencies to actively encourage their prime contractors to use women-owned small businesses as subcontractors. All contracts valued at \$100,000 or more include a clause which requires the prime contractor to provide the maximum practicable opportunity to women-owned small businesses to compete for subcontracts.

## **Minority Business Enterprise (MBE) Programs** (Executive Orders 12432, “Minority Business Enterprise Development” and 11625, “National Program for Minority Business Enterprise”)

OSDBU is charged with overseeing the implementation of voluntary compliance programs to stimulate MBE participation in procurement and assistance programs. OSDBU provides advice and recommendations to the Secretary of HUD on MBE activities, prepares, monitors and evaluates the Department's Annual Minority Business Development Plan and reports MBE program performance to the Minority Business Development Agency (MBDA) of the Department of Commerce.

## **Minority-Owned Media**

HUD is committed to the use of minority-owned media to the extent practical and cost effective. The Department buys advertising for HUD's programs (e.g., Fair Housing billboard displays, Housing's Real Estate Owned property sales and Section 202 Housing for the Elderly, etc.). The total expenditures for advertising under these activities and the portion of total dollars spent with the minority media is reported semi-annually to OSDBU. OSDBU is responsible for monitoring HUD's procurement of minority media services.

## More Information

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### Where can I get more information and help on HUD'S programs and contracting/subcontracting opportunities?

- **HUD's Internet/World Wide Web Home Page.** Like most of the business community, HUD is moving quickly to do more business electronically via the Internet. Headquarters and most of HUD's State and Area Offices now have home pages where you can find general information about HUD and its programs. The main home page is located at:

*<http://www.hud.gov>*

Within its main home page HUD also has a Contracting home page located at:

*<http://www.hud.gov/cts/ctshome.html>*

The Contracting Home Page includes:

- All of HUD's current solicitations for bids and proposals for new HUD contracts (and any amendments) and a list of prime contracts that may present significant subcontracting opportunities. The solicitations can be downloaded directly from the home page saving you considerable time.
  - HUD's current forecast of contracting opportunities.
  - A small business assistance site that includes a schedule of upcoming small business conferences and fairs and the names and addresses of HUD's Small Business Specialists.
  - Valuable business links to other sources of information about Federal contracting.
- **HUD Staff**
    - **Program staff** (e.g., within the Office of Housing, Public Housing, etc.) are a good source of information concerning their programs and their funding recipients (e.g., Public Housing Agencies). Office addresses and phone numbers are available through HUD's Internet Home Page (see above).
    - **HUD Small Business Specialists** can help you identify HUD contracting and subcontracting opportunities. The Small Business Specialists are your primary points of contact in HUD. See Exhibit 2 for their names and locations.
    - **OSDBU** helps small businesses understand HUD's operations and needs, and will direct you to appropriate sources of information. The office is available to give direct advice, as needed. OSDBU also participates in government/industry conferences to assist small and small disadvantaged businesses and sponsors seminars and presentations at appropriate trade shows and business conferences. See Exhibit 2 for OSDBU's address and phone number.



## What other sources of information would be helpful?

- **The Commerce Business Daily (“CBD”)**. The CBD is published by the U.S. Department of Commerce every Federal business day. The CBD lists contracting opportunities with all Federal agencies. With few exceptions, notices of upcoming solicitations for new HUD contracts and purchases expected to exceed \$25,000 are published in the CBD. Notices of awards of contracts that have subcontracting opportunities are also published. The CBD can now be accessed via the Internet through the Government Printing Office's CBDNet located at:

*<http://cbdnet.access.gpo.gov>*

Access to the CBDNet is free. (HUD's Internet contracting site (see above) also has a link to the CBDNet). The CBD is also available in most public and Federal libraries. You may also buy a hard copy subscription to the CBD (price starts at \$275 annually). To subscribe, contact the Superintendent of Documents, Government Printing Office, Washington, DC 20402-9371. You may also order the CBD via the Government Printing Office's Internet home page located at:

*<http://access.gpo.gov/index.html>*

- **The U.S. Small Business Administration (“SBA”)**. The SBA offers a wide variety of assistance to small and small disadvantaged businesses. Government contracting offices work closely with the SBA in seeking small business suppliers. Local SBA offices frequently can direct firms to agencies that purchase products they offer. The SBA can also provide names and addresses of prospective military and civilian agency customers. Information about the SBA's programs and services is readily available from its Internet home page at:

*<http://www.sbaonline.sba.gov/>*

- **“U.S. Government Purchasing and Sales Directory, Revised 1994”** is a comprehensive guide to the Government's purchasing and sales activities. The directory lists over 4,000 products and services purchased throughout the Government. It tells you what agencies buy and explains how to contact appropriate contracting offices. The directory also contains an overview of how the Government purchases goods and services and describes the types of assistance that the SBA provides to small businesses interested in Government contracting and subcontracting opportunities. Copies may be purchased for \$24.00 each from the Superintendent of Documents, U. S. Government Printing Office, Washington, D.C. 20402 (Stock No. 045-000-00272-1) or from the Government Printing Office's Internet home page at:

*[http://access.gpo.gov/su\\_docs/sale/asale001.html](http://access.gpo.gov/su_docs/sale/asale001.html)*

- **General Services Administration (“GSA”) Small Business Centers.** The GSA is the largest civilian Federal agency buyer of general supplies and services. It provides operational supplies and services to the civilian Federal agencies through its Federal Supply Service. Most of these supplies and services are furnished by independent contractors. The GSA Small Business Centers provide advice to small businesses about GSA's contracting opportunities. While these opportunities are not reserved exclusively for small disadvantaged businesses, they represent an important government resource available to them. Interested business concerns should contact their local GSA regional or area office for more information, or visit GSA's Internet home page at:

*<http://www.gsa.gov/>*

- **Defense Logistics Agency (“DLA”).** The DLA provides supplies to the U.S. military services. The DLA buys more than 3 million different items - everything from food to fuel. You can call DLA's Small Business Office at (703) 767-1650 or visit their Internet home page at:

*<http://www.dla.mil/>*

- **Local governments and HUD funding recipients.** This group includes cities, counties, Public and Indian Housing agencies and authorities private property developers and owners receiving HUD mortgage insurance, etc. At present there is no comprehensive listing of these organizations. The best way to learn of potential contracting or subcontracting opportunities is through HUD program staff (see above) or HUD's Internet Home Page.

## A Few Marketing Tips

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- **Surf's Up!**

Yes, surfing the Internet has its rewards. Be sure to visit HUD's home page (especially the contracting home page site), and "bookmark" it. Then, visit it regularly to see what opportunities are available.

- **Pay Us a Visit.**

If you are close to a HUD Office, or if you are in town, stop in to see our Small Business Specialists. Please try to call ahead and set up an appointment.

- **Market Widely.**

It may be that HUD does not buy the products or services your company sells. Chances are, though, that some Federal Government agency does. Like HUD, many other agencies are also now posting their contracting opportunities on their Internet home pages. Many of these home pages are now directly linked to HUD's contracting home page.

U.S. Department of Housing and Urban Development  
**Administrative Service Centers (ASC)**

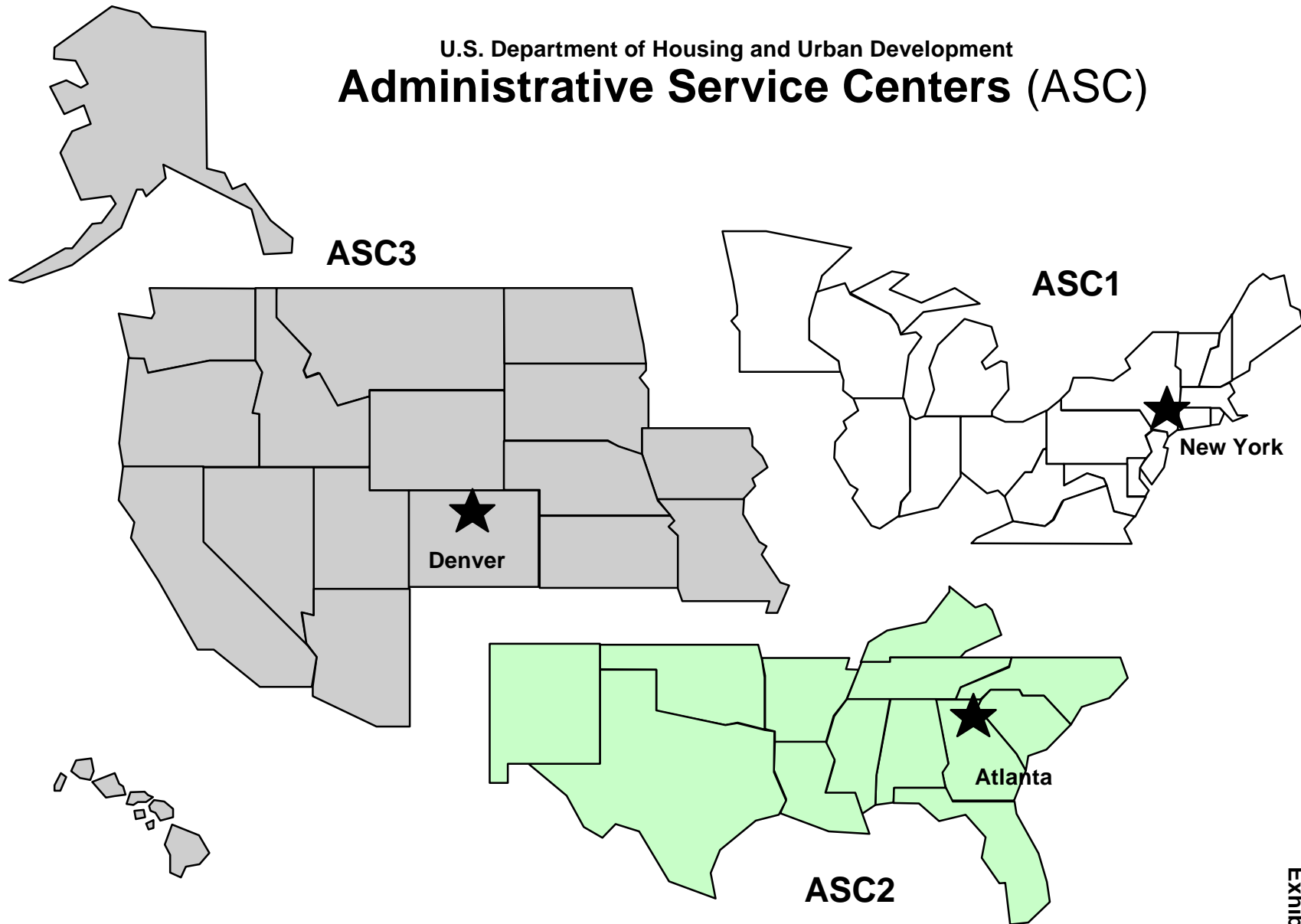


Exhibit 1

# ASC Geographic Coverage

## **ASC1**     *New York Contracting Division*

Covering: Connecticut, Delaware, District of Columbia, Illinois, Indiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, Vermont, Virginia, and Wisconsin

## **ASC2**     *Atlanta Contracting Division*

Covering: Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, New Mexico, North Carolina, Oklahoma, Puerto Rico, South Carolina, Tennessee, and Texas

## **ASC3**     *Denver Contracting Division*

Covering: Alaska, Arizona, California, Colorado, Hawaii, Idaho, Iowa, Kansas, Missouri, Montana, Nebraska, Nevada, North Dakota, Oregon, South Dakota, Utah, Washington, and Wyoming

**MAJOR CATEGORIES OF SERVICES AND SUPPLIES  
PURCHASED BY HUD'S OFFICE OF PROCUREMENT AND CONTRACTS  
IN FISCAL YEAR 1996  
(Dollars in Millions)**

Information Technology hardware/office automation equipment/related services <sup>1</sup>	\$80.8
Information Technology software development and systems maintenance	\$54.4
Mortgage accounting/claims processing	\$47.2
Advertising for sale of HUD properties	\$44.7
Other professional/technical services	\$41.8
Administrative/management support services	\$38.9
Technical assistance to HUD funding recipients	\$20.9
Management support services for HUD programs (e.g., Office of Housing)	\$15.9
General Information Technology support services	\$12.5
HUD headquarters building operation and maintenance	\$10.3
Simplified acquisitions (Small/GSA schedule purchases)	\$4.1
Special studies and analyses	\$3.5
Training	\$2.8
Evaluations of HUD programs	\$2.1
Audio/video services	<u>\$ .9</u>
Total	\$380.8

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<sup>1</sup>These services and equipment are currently being provided under a single major contract (no. HC-14703) with Lockheed Martin Information Systems. Firms interested in subcontracting opportunities should contact Wade Brown, Subcontract Administrator, on (301) 306-8130.

## **HUD'S SMALL BUSINESS SPECIALISTS**

- For Headquarters contracting opportunities, please contact:

Larry S. DeWalt  
Small Business Specialist  
Office of Procurement and Contracts  
U.S. Department of Housing  
and Urban Development  
451 Seventh Street, SW  
Room 5262 (ARCP)  
Washington, DC 20410-1000  
Voice: (202) 708-0294  
Fax: (202) 708-8912  
E-mail: Larry\_S.\_Dewalt@hud.gov

Joseph Piljay  
Small Business Specialist  
Office of Small and Disadvantaged  
Business Utilization  
U.S. Department of Housing and  
Urban Development  
451 Seventh Street, SW  
Room 3130 (SS)  
Washington, DC 20410  
Voice: (202) 708-1428  
Fax: (202) 708-7642  
E-mail: Joe\_Piljay@hud.gov

- For Field contracting opportunities, please contact:

***Administrative Service Center 1***  
(Northeast/Midwest U.S.)

John R. Karwowski  
Small Business Specialist  
U.S. Department of Housing  
and Urban Development  
Massachusetts State Office  
10 Causeway Street - Room 365  
Boston, MA 02222-1092  
Voice: (617) 565-6788  
Fax: (617) 565-5257  
E-mail: John\_R.\_Karwowski@hud.gov

***Administrative Service Center 2***  
(Southeast/Southwest U.S.)

Kimberlee Lewis  
Small Business Specialist  
U.S. Department of Housing  
and Urban Development  
Georgia State Office  
75 Spring Street (4AAC)  
Atlanta, GA 30303-3388  
Voice: (404) 730-2705  
Fax: (404) 730-3426  
E-mail: Kimberlee\_L.\_Lewis@hud.gov

***Administrative Service Center 3***  
(Western U.S.)

Toni M. Bullock  
Small Business Specialist  
U.S. Department of Housing  
and Urban Development  
633 17th Street, (8AAC)  
Denver, CO 80202-3607  
Voice: (303) 672-5281  
Fax: (303) 672-5062  
E-mail: Toni\_M.\_Bullock@hud.gov